

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1405-03
Bill No.: Truly Agreed to and Finally Passed HCS for HB 348 & 347
Subject: Retirement - Local Government
Type: Original
Date: April 30, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Local Government Employees Retirement System and County Employees Retirement** stated the proposed legislation would not fiscally impact their agencies.

The **Joint Committee on Public Employee Retirement (JCPER)** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660, subdivision (5).

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2004
(10 Mo.)

FY 2005

FY 2006

\$0

\$0

\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This bill revises the optional retirement allowance and beneficiary election provision of the Missouri Local Government Employees' Retirement System (LAGERS).

The bill allows retirees to elect to receive their allowance with or without a lump-sum distribution. The partial lump-sum distribution will equal 24 times the amount of the retiree's monthly allowance, excluding any temporary allowance which may be payable. The process for applying for the lump-sum distribution is contained in the bill.

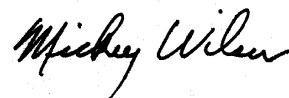
If a retiree elects the partial lump-sum distribution, a retiree's monthly allowance will be adjusted according to age at retirement. The bill also requires that the adjustment in the monthly allowance be applied before additional reductions are calculated based on the selection of a beneficiary option contained in the bill.

The bill also requires that if a beneficiary dies before a retiree, the optional plan selected by the retiree at the time of retirement will terminate.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Local Government Employees Retirement System
Joint Commission on Public Employee Retirement
County Employees Retirement System



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